

## Message Text

LIMITED OFFICIAL USE

PAGE 01 MANILA 08857 271016Z

64

ACTION TRSE-00

INFO OCT-01 EA-06 ISO-00 NEA-10 IO-10 H-02 L-03 PA-01

PRS-01 USIA-06 SP-02 AID-05 EB-07 NSC-05 CIEP-01

SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03

INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 /101 W

----- 078427

R 270818Z JUN 75

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 4911

LIMITED OFFICIAL USE MANILA 8857

USADB

FOR NAC AGENCIES

E.O. 11652: ADS, DECLAS 6/27/76

TAGS: EAID, EFIN

SUBJECT: ADB LOAN FOR PULANGUI RIVER IRRIGATION PROJECT AND TA  
FOR MINDANAO IRRIGATION STUDIES

REF: A) MANILA 8211; B) TRSY 75-106

1. ADB BD OF DIRECTORS ON JUNE 26 APPROVED SUBJECT LOAN  
AND TA. PRESS RELEASE BEING POUCHED.

2. DURING DISCUSSION, SEVERAL DIRECTORS INCLUDING U.S.,  
NOTED NECESSITY FOR TIMELY COMPLETION OF LAND REFORM  
TO ASSURE DISTRIBUTIVE EQUITY OF PROJECT BENEFITS TO  
SMALL FARMERS RATHER THAN LARGE LAND OWNERS; DANGER THAT  
AS CONSEQUENCE OF DELAY, APPRECIATION OF LAND VALUES  
ATTRIBUTED TO PROJECT WOULD THEN BE CAPITALIZED IN SALE  
PRICE WHICH SMALL FARMERS WOULD EVENTUALLY HAVE TO PAY  
LANDLORDS. SEVERAL DIRECTORS NOTED WITH CONCERN LAPSE  
OF TARGET DATE PRIOR TO COMPLETION OF LAND REFORM ON  
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 MANILA 08857 271016Z

ANGAT-MAGAT PROJECT; DELINQUENCY OF NIA IN COMPLIANCE

WITH LOAN COVENANTS EARLIER ADB IRRIGATION PROJECTS  
RE SUBMISSION AUDIT REPORTS.

3. STAFF REPLY WAS THAT BANK ACCEPTED PHIL GOVT.  
ASSURANCES LAND REFORM WOULD BE COMPLETED BEFORE END  
1977; WOULD CONTINUE TO MONITOR PERFORMANCE CLOSELY;  
LAND VALUES UNDER LAND REFORM PROGRAM TO BE BASED ON  
FORMULA OF 3-YR YIELD UP TO DATE OF PRESIDENTIAL DECREE  
OCT. 1972. RE AUDIT SUBMISSION, STAFF NOTED NIA  
CHANGING ACCOUNTING SYSTEM FROM GOVT. TO PRIVATE  
ENTERPRISE TYPE ACCOUNTS; STAFF ASSURED REPORTING  
COVENANTS WOULD BE ENFORCED.

3. FOLLOWING AFFIRMATIVE BD ACTION, PHILIPPINE DIRECTOR  
MADE EXTENDED REMARKS. IN ADDITION TO THANKING BD FOR  
PROJECT APPROVAL, PHIL. DIRECTOR NOTED THAT DISTRIBU-  
TION OF LARGE LANDHOLDINGS (24 HA AND UP) WAS VIRTUALLY  
COMPLETE; THAT GOVT. RECONSIDERING POLITICAL IMPACT  
OF DISTRIBUTING SMALLER HOLDINGS AFTER SURVEY DISCLOSED  
90 PERCENT REMAINING LANDHOLDINGS IN PARCELS 7 HA AND  
BELOW; THAT GOVT. WAS STRAPPED FOR FUNDS TO FINANCE  
LANDLORD COMPENSATION WITH LANDLORDS RELUCTANT ACCEPT  
ONLY 10 PERCENT CASH; BALANCE IN LAND BANK BONDS  
HENCE GOVT. HAS BEEN OBLIGED INCREASE AMOUNT  
PAID AT SALE TO 20 PERCENT CASH.  
PURNELL

LIMITED OFFICIAL USE

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TECHNICAL ASSISTANCE, IRRIGATION, DEVELOPMENT LOANS, PULANGUI RIVER, MINDANAO, LAND REFORMS, PROGRAMS (PROJECTS), STUDIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 27 JUN 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** greeneet  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975MANILA08857  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750224-0005  
**From:** MANILA  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750610/aaaaaiiu.tel  
**Line Count:** 87  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 75 MANILA 8211, 75 TRSY 75-106  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** greeneet  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 22 JUL 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <22 JUL 2003 by ShawDG>; APPROVED <19 NOV 2003 by greeneet>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
06 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ADB LOAN FOR PULANGUI RIVER IRRIGATION PROJECT AND TA FOR MINDANAO IRRIGATION STUDIES  
**TAGS:** EAID, EFIN, US, RP, ADB-1  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006